

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3108 - SB 3105**

March 1, 2010

**SUMMARY OF BILL:** Increases by \$50 the weekly benefit amount for unemployment benefits.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –  
Exceeds \$19,000,000/Recurring/Unemployment Insurance Trust Fund**

**Increase State Expenditures –  
\$147,641,800/Recurring/Unemployment Insurance Trust Fund  
Exceeds \$4,000,000/Recurring/General Fund**

**Increase Federal Expenditures – \$128,000/One-Time**

**Increase Local Expenditures – Exceeds \$15,000,000\***

**Assumptions:**

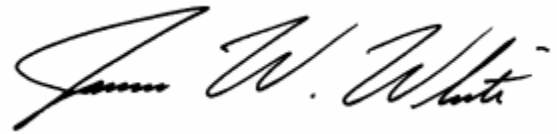
- A one-time increase in federal expenditures of \$128,000 for information technology costs to update existing systems. Any administrative federal expenditure would require approval by the U.S. Department of Labor.
- The Department of Labor and Workforce Development estimates that there were 183,406 claimants in 2009 with a weekly benefit amount of \$256 or greater.
- The average duration of unemployment benefits is 16.1 weeks.
- Increasing the weekly benefit amount by \$50 will result in a recurring increase to state expenditures from the Unemployment Insurance Trust Fund of approximately \$147,641,800.
- Approximately 10.2 percent of employment in the state is local government employment, and 3.3 percent is state employment. Local governments and state agencies reimburse the Unemployment Insurance Trust Fund for unemployment benefits paid to former employees.
- An increase to local government expenditures exceeding \$15,000,000 to reimburse the Unemployment Insurance Trust Fund.

- An increase to state expenditures exceeding \$4,000,000 for agencies to reimburse the Unemployment Insurance Trust Fund.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/jaw